



INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/021

Audit of human resources management in UNSCOL

**Overall results relating to the effective
management of human resources in UNSCOL
were initially assessed as partially
satisfactory. Implementation of three
important recommendations remains in
progress**

**FINAL OVERALL RATING: PARTIALLY
SATISFACTORY**

22 March 2013

Assignment No. AP2012/673/01

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AUDIT REPORT

Audit of human resources management in UNSCOL

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management in the United Nations Office of the Special Coordinator for Middle East Peace Process (UNSCOL).

2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations, and rules.

3. UNSCOL has a mandate to support the work of the Special Coordinator who represents the Secretary-General on coordination and political aspects of the work of the United Nations in Lebanon. This includes the provision of political guidance to the United Nations agencies in Lebanon and the United Nations Interim Force in Lebanon (UNIFIL), through close liaison and regular information-sharing. UNSCOL also monitors the situation of Palestinians in Lebanon and other issues, including electoral reform, border management, and the promotion of the rule of law, human rights and good governance in the country.

4. The Chief of Mission Support (CMS) had delegated authority from the Department of Field Support (DFS) to: (a) approve the extension of appointments of candidates up to the D-1 level; (b) to administer staff entitlements; (c) to recruit national staff including national professional officers; and (d) hire individual contractors and consultants. International recruitment continued to be processed by DFS, on request of UNSCOL.

5. UNSCOL had approved budgets for the years 2011 and 2012 of \$9 million and \$9.2 million, respectively, with 80 per cent of the annual budget being allocated to staff and related costs. UNSCOL had an approved staffing level of 83, comprising of 22 international and 61 national posts. The Human Resources Section was headed by a Field Service (FS) staff member and had an additional two national staff.

6. Comments provided by UNSCOL are incorporated in italics.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of the UNSCOL governance, risk management and control processes in providing reasonable assurance regarding the **effective management of human resources in UNSCOL**.

8. This audit was included in the OIOS 2012 risk-based audit plan because of the significance of human resources management in UNSCOL, and taking into account that the Office had not been audited since its establishment in 2000.

9. The key controls tested for the audit were: (a) human resource targets and strategies; (b) recruitment and promotion policies and procedures; (c) delegation of authority; and (d) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

- (a) **Human resource targets and strategies** - controls that provide reasonable assurance that human resource targets and strategies are set to ensure the recruitment and retention of competent staff.
- (b) **Recruitment and promotion policies and procedures** - controls that provide reasonable assurance that recruitment and promotion policies and procedures are followed in recruiting and promoting staff.
- (c) **Delegation of authority** - controls that provide reasonable assurance that authority for certain functions has been delegated formally and in accordance with relevant regulations and rules. This control also includes periodic reporting and monitoring of the execution of delegated authority.
- (d) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide human resource management; (ii) are implemented consistently; and (iii) ensure reliability and integrity of financial and operational information.

10. OIOS conducted the audit from September to November 2012. The audit covered the period from 1 January 2011 to 30 November 2012. The audit sampled 16 of the 20 recruitment cases completed during the period, and the process to fill the 23 posts which were classified at a higher level in 2011. The audit sampled 32 out of 47 cases of staff entitlements as well as 16 out of 25 overtime entitlement cases.

11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12. The UNSCOL governance, risk management and control processes examined were **partially satisfactory** in providing reasonable assurance regarding the **effective management of human resources**. OIOS made four recommendations to address issues identified. UNSCOL accepted and is in the process of implementing the audit recommendations. UNSCOL complied with established guidelines in processing staff entitlements, and maintained data to facilitate the reporting of human resources indicators. However, regular recruitment actions were not initiated in a timely manner and there was no competitive selection process to fill posts classified/reclassified at a higher level. The title of Chief of Staff was used although it was not reflected in the authorized staffing table and the approved organizational structure.

13. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of three important recommendations remains in progress.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of human resources in UNSCOL	(a) Human resource targets and strategies	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(b) Recruitment and promotion policies and procedures	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) Delegation of authority	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(d) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Human resource targets and strategies

Human resource targets were being monitored

14. Human resource targets and objectives were reflected in the Human Resources Management Scorecard, annexed to the Senior Managers' Compact. UNSCOL had maintained data to facilitate the reporting of these indicators, including vacancy rates and mandatory training. As of November 2012, there were six vacancies in the Mission, representing a vacancy rate of seven per cent. The compliance rates for mandatory security and HIV/AIDS training was between 60 to 70 per cent. However, UNSCOL had taken action and reinforced the need to comply with mandatory training.

B. Recruitment and promotion policies and procedures

Inappropriate use of temporary appointments for regular vacancies

15. Four of six international recruitment cases reviewed were completed in compliance with the Staff Regulations and Rules. However, for two cases, UNSCOL had recruited staff using temporary vacancy announcements (TVA) instead of proceeding with the regular recruitment process. One of these cases had subsequently been regularized with a recruitment action initiated. For the other post, which became vacant in July 2010, UNSCOL filled the post temporarily only in December 2011 and had not initiated a regular recruitment action. In both these cases, the recruitment process was conducted by the concerned Chief of Section without seeking advice from and monitoring by the Human Resources Section.

(1) UNSCOL should fill the post of the P-3 Political Affairs Officer using regular recruitment action.

UNSCOL accepted recommendation 1 and stated that the selection process, from the Field Central Review Board roster was submitted to DFS on 1 February, and UNSCOL continued to follow-up on its finalization. Recommendation 1 remains open pending receipt of evidence that the recruitment process for the vacant P-3 has been completed.

Procedures over the recruitment of national staff needed to improve

16. A review of the ten national recruitment cases completed since January 2011 showed that UNSCOL had established interview panels, conducted competency based interviews and completed evaluation reports. However, UNSCOL did not conduct reference checks to verify the educational qualifications and working experience of successful applicants, and for two cases the vacancy announcements did not include the required number of years of experience for the position.

17. The absence of a Chief Human Resources Officer, a post approved in May 2011, and the lack of central guidelines on the recruitment and promotion of national staff contributed to the above condition. The Office of Human Resources Management (OHRM) was revising the administrative instruction on the staff selection system, which would be extended to locally-recruited staff in field missions to ensure a common selection policy. Until these instructions are finalized, UNSCOL needed to develop Mission-specific standard operating procedures (SOPs) to ensure a sound recruitment process was in place. The Chief Human Resources Officer was appointed in December 2012.

18. UNSCOL engaged two individual contractors (ICs) for periods longer than that stipulated in the relevant Administrative Instruction. UNSCOL subsequently developed and implemented a tool to track the length of contracts awarded to ICs.

(2) UNSCOL should, in consultation with DFS, establish Mission-specific standard operating procedures for the recruitment and promotion of national staff in compliance with United Nations Staff Regulations and Rules.

UNSCOL accepted recommendation 2 and stated that it had drafted Mission-specific SOPs. The draft SOPs were submitted to DFS for approval. Recommendation 2 remains open pending receipt of a copy of the finalized Mission-specific SOPs for the recruitment and promotion of national staff.

There was no competitive selection process to fill posts classified/reclassified at a higher level

19. Staff members whose posts were classified / reclassified at a level above their current grade could be considered for promotion in accordance with established procedures, including the issuance of vacancy announcements, required to ensure a competitive and transparent selection process.

20. In 2011, UNSCOL reclassified five national posts, and did not comply with established procedures in promoting three of staff whose posts were reclassified. UNSCOL acknowledged this as an oversight. In the same period, UNSCOL initiated a Mission-wide classification exercise for 63 posts comprising of nine FS posts and 54 local posts. Of the 63 posts submitted for classification, 28 posts were classified at a higher grade, effective May 2011.

21. Of the 28 posts classified at a higher level, UNSCOL initiated recruitment actions for only five posts. For the remaining 23 posts, UNSCOL issued TVAs to grant Special Post Allowances (SPA) to the incumbents of six posts and promoted the incumbents of 17 posts without a competitive selection process.

UNSCOL's action on these 23 posts was based on guidance issued by DFS in June 2011, which stated that a one-time special promotion measure had been approved by OHRM for local staff members. However, OHRM's one-time measure related to national staff posts at non-established peacekeeping missions, and was not applicable to UNSCOL which is a special political mission. Therefore the UNSCOL's action on the 23 posts did not comply with established OHRM procedures, and DFS did not have authority to grant an exception. In this regard, in December 2012, OHRM in a memorandum reminded DFS that all exceptions to the staff rules and administrative instructions required prior approval from the Assistant Secretary-General for Human Resources Management. Based on the action taken by OHRM and the fact that the promotion cases could not be reversed, OIOS did not make a recommendation.

C. Delegation of authority

Need to clarify responsibilities and formalize the title of the D-1 post incumbent

22. The roles and responsibilities for Chief of Staff and Chief of Political Affairs are different. In April 2012, UNSCOL issued a vacancy announcement for the post of Chief of Political Affairs at the D-1 level; but the staff member recruited used the title of Chief of Staff and was performing these functions instead of those of a Chief Political Affairs Officer. UNSCOL claimed that it needed this post to perform the duties of Chief of Staff, and this had been a practice since 2008.

23. This practice contravened the Department of Political Affairs (DPA)/DFS Policy on Delegated Authority in United Nations Missions led by DPA and supported by DFS. Adjustments to managerial structures of the substantive and support components in the staffing tables and budget need to be dealt with through the standard budgeting process. Therefore, this situation needed to be reviewed and regularized.

(3) UNSCOL, in consultation with the Department of Political Affairs and the Department of Field Support, should clarify the responsibilities of the current Chief of Staff/Chief of Political Affairs, and ensure that the title of the D-1 post is properly reflected in the authorized staffing table.

UNSCOL accepted recommendation 3 and stated that it had commenced consultations with DPA and the DFS on the responsibilities and functional title of the post. Recommendation 3 remains open pending clarification of the responsibilities of the current COS/Chief of Political Affairs and the proper reflection of the function title of the D-1 post in the authorized staffing table.

D. Regulatory framework

Procedures for processing of staff entitlements were in place and working as intended

24. A review of 32 of 47 cases of staff entitlements, including rental subsidy, assignment grant, and administration of home leave entitlements, concluded that these entitlements were processed in accordance with established regulations, rules and procedures.

Prior approval of overtime was required

25. A review of overtime paid to 16 staff members showed that UNSCOL had complied with the relevant Administrative Instruction relating to the review of compensatory time off balances. However, overtime was not approved in advance, and UNSCOL was implementing a procedure for retroactive approval. In many cases, the reason for the overtime was not properly stated.

(4) UNSCOL should comply with the provisions of ST/AI/2000/3 especially requiring prior approval of overtime, supported with proper justifications.

UNSCOL accepted recommendation 4 and stated that it had developed and implemented a policy, in line with ST/AI/2000/3 that required prior approval of overtime supported with proper justification. Based on the action taken by UNSCOL, recommendation 4 has been closed.

IV. ACKNOWLEDGEMENT

26. OIOS wishes to express its appreciation to the Management and staff of UNSCOL for the assistance and cooperation extended to the auditors during this assignment.



David Kanja, Assistant Secretary-General
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS
Audit of human resources management in UNSCOL

Recom. no.	Recommendation	Critical/ ¹ important ²	C/ ³ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNSCOL should fill the post of the P-3 Political Affairs Officer using regular recruitment action.	Important	O	Receipt of evidence that the recruitment process for the vacant P-3 has been completed	1 February 2013
2	UNSCOL should, in consultation with DFS, establish Mission-specific standard operating procedures for the recruitment and promotion of national staff in compliance with United Nations Staff Regulations and Rules.	Important	O	Receipt of a copy of the final Mission-specific SOPs for the recruitment and promotion of national staff	1 April 2013
3	UNSCOL, in consultation with the Department of Political Affairs and the Department of Field Support, should clarify the responsibilities of the current Chief of Staff/Chief of Political Affairs, and ensure that the title of the D-1 post is properly reflected in the authorized staffing table.	Important	O	Clarification of the responsibilities of the current COS/Chief of Political Affairs and the proper reflection of the function title of the D-1 post in the authorized staffing table	31 December 2013
4	UNSCOL should comply with the provisions of ST/AI/2000/3 especially requiring prior approval of overtime, supported with proper justifications.	Important	C	Action taken	Implemented

¹ Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by UNSCOL in response to recommendations.